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C O N F I D E N T I A L SECTION 01 OF 02 TAIPEI 003496

SIPDIS

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TAGS: [PGOV](#) [TW](#)

SUBJECT: MA TAKES THE REINS

REF: A. TAIPEI 3450

[1](#)B. TAIPEI 3467

Classified By: AIT Acting Director David J. Keegan, Reason(s): 1.4 (B/D).

[1](#)1. (U) Summary: On August 18, Ma Ying-jeou was sworn in as the Chairman of the KMT. His predecessor, Lien Chan, was designated as "Honorary Chairman." The National Congress approved a measure allowing its 1,600 members to directly elect the members of the Central Standing Committee (CSC). The CSC direct elections were marked by balloting errors and poor organization, but no one has challenged the results: a CSC largely balanced by representatives from both the Ma and Wang factions. Ma promised to clean up the party's finances, further democratize party decision-making, expand the party's base, and advance Pan-Blue unity, all with an eye toward taking back the presidency in 2008. End Summary.

[1](#)2. (U) During his August 19 Chairman's acceptance speech, Ma promised to set up a timetable to dispose of all of the KMT's problem assets, including the disputed Central Headquarters building, by the end of 2008. Ma argued that since the KMT's assets played a key role in Taiwan's development, the term "ill-gotten gains" was not appropriate. Ma said addressing property-related disputes was essential to restoring the KMT's image as a plain and honest party. Revenue from the sale of disputed assets would be allocated to meet obligations to KMT pensioners. Ma also called for gradually integrating the PFP and New Party into the KMT, starting with cooperation over policy, legislation, and elections. Ma expressed hope that the KMT would be able to improve its grassroots connections by convening the Central Standing Committee in different cities around Taiwan, and allowing Central Committee members and local party representatives to sit in on CSC meetings. Ma thanked former opponent Wang Jin-Pyng for conducting a "gentleman's race" for Chair. Receiving the title of "Honorary Chairman," outgoing Chairman Lien Chan praised Ma as a young and intelligent politician, and urged him to prepare the KMT for the 2008 presidential race. Ma promised to "follow Lien's line," and to be an "openminded visionary" dedicated to turning the KMT into a clean party that could take back power in 2008.

[1](#)3. (U) During the first day of the two-day National Congress, delegates approved a measure granting the National Congress the power to directly elect the members of the Central Standing Committee (CSC), the party's chief policy-making organ. Delegates also voted to strike from the rules a provision barring disciplined or expelled members from running for Chairman or the Central Standing Committee. A measure to extend the term of Central Standing Committee members from one year to two was rejected, as was a proposal to give student and grassroots leaders voting participation in CSC meetings. On the whole, delegates overwhelmingly voted as Ma had urged, against pressure from Wang Jin-pyng's camp. The National Congress also approved Ma Ying-jeou's candidates for four of the Vice-Chair seats: incumbents Chiang Pin-kun, Lin Cheng-chi, and Wu Po-hsiung, who stayed in place at Ma's personal request. John Kuan (Kuan Chung) will fill the fourth position. Ma has said he would like to reserve the fifth Vice-Chair position for someone from the KMT Youth Corps. (Note: Taipei 3450 misidentified Chang Chang-pang and Tseng Yung-chuan as incumbent Vice-Chairmen. Chang Chang-pang is KMT Deputy Secretary General and Tseng Yung-Chuan is KMT Policy Director. Both men stayed in their respective posts at Ma's request.)

[1](#)4. (U) The first direct election of the CSC was plagued by balloting errors and unclear voting procedures. The vote took place only one day after it was decided to hold the direct ballot, and seven hours after the results of the Central Committee election were announced. In the rush to prepare the ballots, the names of three candidates were omitted. Delegates complained that it was difficult to find the polling places inside the convention center, and that polling areas were crowded by campaigners and press. Ma himself became angry with the press attending the event, saying they should take some of the blame for causing the chaos which surrounded the CSC election.

[1](#)5. (U) Of the 31 members of the new CSC, 19 are Legislative Yuan (LY) members, four more than in the previous CSC.

Eleven of the members of the new CSC are considered to be "pro-Wang" based on public statements made during the KMT Chairman race: LY members Hung Hsiu-chu, Tseng Yung-chuan, Huang Chao-shun, Lin I-shih, John H. Chiang, Lee Chuan-chiao, Hung Yu-chin, Hou Tsai-feng, Chu Feng-chih, former LY member Yang Chi-hsiung, and former Economics Minister Wang Chi-kang. Ten members are considered "pro-Ma": LY members Lu Hsiu-yuen, Wu Yu-sheng, Lai Shi-bao, Chang Jen-hsiang, Ting Shou-chung, Chou Shou-shun, Taichung City Mayor Jason Hu, Taipei City Councilwoman Lin I-hua, former National Assembly speaker Chen Chin-jiang, and former Deputy Taipei City Mayor Ou Chin-te. The ten remaining members of the new CSC haven't made their preference known: LY members Lee Chi-chu, Hsu Chung-hsiung, and Tsai Cheng-yuan, Chiang Fang Chih-I (daughter of late president Chiang Ching-kuo), Prince Motors Group President Hsu Hsien-jung, China Trust Group Chairman Jeffrey Koo, Lien Sheng-wen (son of former Chairman Lien Chan), Rebar Group Chairman Wang You-tseng, Weiching Consortium founder Shen Ching-chin, and incumbent Central Standing Committee member Yao Chiang-lin. A list of 28 candidates allegedly favored by Ma was circulated in advance of the CSC election, angering supporters of LY Speaker Wang. KMT Secretary General Chan Chun-po and members of Ma's staff denied any responsibility for the list. Only 15 of those 28 candidates were actually elected to the CSC.

16. (U) In remarks during the final day of the National Congress, Ma strongly objected to characterizations of the KMT as an "alien regime." In a speech before the party's Central Advisory Committee, Ma declared that Sun Yat-sen, the founding father of the ROC, visited Taiwan several times before the ROC's birth in 1911. Ma cried openly while recounting a meeting earlier this year with relatives of democracy activist Liao Chin-ping. In 1913, Liao donated funds to Sun Yat-sen, and in thanks, Sun gave Liao a bottle of Scotch whiskey. Liao was later killed during the KMT-led crackdown of February 28, 1947. At a ceremony this year marking the 2-28 Incident, Liao's son presented the liquor to Ma, in honor of his father's friendship with Sun. A tearful Ma said "those who claimed that Kuomintang is an alien regime are just ignorant of the history." Pan-Green politicians countered that Ma was attempting to ignore the KMT's bloody history on Taiwan.

17. (U) According to an Apple Daily public opinion poll conducted August 19, 74 percent of eligible voters would vote for Ma as President in 2008, and 72 percent would vote for KMT candidates in the year-end county/city chief elections. In another August 19 poll conducted by the China Times, 46 percent of island-wide respondents believed Ma could defeat the DPP candidate in 2008, while 18 percent said he could not. The China Times respondents were also asked to indicate whether they were "satisfied" or "dissatisfied" with the performance of the various political parties. The KMT led the pack, with a 40 to 37 percent satisfied/dissatisfied result. The DPP fared slightly worse, with a 37 percent satisfied/37 percent dissatisfied rating. Only 21 percent of respondents were satisfied with the TSU, with 43 percent not satisfied. The PFP, with only 18 percent satisfied versus 51 percent not satisfied, took last place. This marks a substantial decline from the PFP's 32 percent approval rating following James Soong's trip to the PRC.

18. (C) Comment: Despite some expectations that Wang Jin-pyng might use the KMT National Congress to use his organizational strength to put limits on Ma, the National Congress proved another victory for Ma. By pushing through the direct election of the Central Standing Committee, Ma strengthened his position by forcing CSC policymakers to become more responsive to the grassroots base which supported Ma three-to-one against Wang. With CSC members' terms limited to one year, members have a reason to cooperate with Ma in anticipation of next year's election. On the other hand, 19 CSC members, as members of the LY, are used to taking orders from Legislative Speaker Wang Jin-pyng, but it remains to be seen whether Wang has the strength to challenge Ma a third time. End Comment.

KEEGAN